2492

IOWA POWER AND LIGHT COMPANY

TO

HARRIS TRUST AND SAVINGS BANK

AND

HAROLD ECKHART

as Trustees

For ~~Assignment~~ Release of Annexed ~~Mortgage~~ Supplemental Indenture See Mortgage Record 94 Page 451

Supplemental Indenture

DATED APRIL 15, 1938

#2492

INDEXED IN CHATTEL MORTGAGE INDEX NO. ~~17~~ 13

May 1938 4:35 P

91

Valda C Bishop Tarver

Pearl E Shetterly

Fee $17.10

58 pgs

~~For Abstr fee~~

~~Release~~

Supplemental Indenture dated as of the fifteenth day of April, Nineteen hundred and thirty-eight (1938), made by and between IOWA POWER AND LIGHT COMPANY, a corporation organized and existing under the laws of the State of Iowa (hereinafter called the "Company"), party of the first part, and HARRIS TRUST AND SAVINGS BANK, a corporation organized and existing under the laws of the State of Illinois, and HAROLD ECKHART, as Trustees under the Trust Indenture dated March 1, 1928 hereinafter mentioned, parties of the second part (hereinafter called the "Trustees"; Harris Trust and Savings Bank wherever referred to separately being called the "Trust Company"):

WHEREAS, the Company has heretofore executed and delivered its Trust Indenture (hereinafter referred to as the "Original Indenture") dated March 1, 1928, to the Trust Company and M. H. MacLean, as Trustees, for the security of the Bonds of the Company to be issued thereunder, and Harold Eckhart has succeeded M. H. MacLean as Individual Trustee under the Original Indenture; and

WHEREAS, the Company has heretofore issued under the Original Indenture First Mortgage Gold Bonds, Series A, 4½%, in the aggregate principal amount of $6,000,000, all of which are outstanding at the date hereof; and

WHEREAS, the Company has in all respects complied with the provisions of the Original Indenture so as to be entitled at the time of the execution and delivery of this Supplemental Indenture, to execute and have authenticated and delivered by the Trust Company additional Bonds in the aggregate principal amount of $5,700,000 to be issued under the provisions of Article III of the Original Indenture as follows:

(a) $2,423,750 in principal amount under the provisions of Section 2 of said Article III upon the basis of the redemption of $2,423,750 principal amount or par value of fundable underlying obligations and fundable preferred stock consisting of $1,967,000 principal amount of First Mortgage Gold Bonds, 5% Series due 1956, of Des Moines Gas Company, a subsidiary of the Company, issued under the First Mortgage dated March 1, 1926 from Des Moines Gas Company to Bank of North America and Trust Company, as Trustee (The Pennsylvania Company for Insurances on Lives and Granting Annuities, successor Trustee) and $265,550 par value of 8% Cumulative Preferred Stock and $191,200 par value of 7% Cumulative Preferred Stock of Des Moines Gas Company;

(b) $3,240,750 in principal amount under the provisions of Section 3 of said Article III upon the basis of fundable acquisitions, of which $2,047,750 principal amount are issuable upon the basis of the acquisition of the securities of Des Moines Gas Company heretofore deposited as a part of the pledged securities and $1,193,000 principal amount are issuable upon the basis of property additions; and

(c) $35,500 in principal amount under the provisions of Section 4 of Article III upon the basis of the deposit with the Trust Company of a like amount of cash which is deposited with the Trust Company herewith;

and

Whereas, the Original Indenture provides that the Bonds of any other series than Bonds of Series A may be dated as of such date or dates; bear such rate of interest not exceeding seven per centum per annum, payable at such times; mature at such time not more than thirty years from their date of issue; be fully registered Bonds or coupon Bonds; contain such provisions respecting any sinking fund; be redeemable upon such terms; bear such title or designation not inconsistent with the character of such Bonds; and contain such other provisions not inconsistent with the terms of the Original Indenture, as may be specified in such Bonds and in the resolution of the Board of Directors and in the supplemental indenture providing for the issuance of such series; and

WHEREAS, the Original Indenture also provides that the Company may from time to time by a supplemental indenture executed by the Company and by the Trustees, and recorded in like manner as the Original Indenture, impose upon the Company additional conditions and restrictions respecting the issue of additional Bonds, the release of property from the lien of the Original Indenture or the application of the proceeds of released property, and undertake covenants additional to but not inconsistent with those contained in the Original Indenture, and extinguish or curtail any right or privilege reserved to the Company under any provision of the Original Indenture; and

WHEREAS, the Original Indenture also provides that all of the Bonds issued thereunder are to be payable in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928; and

WHEREAS, the Congress of the United States, by joint resolution of June 5, 1933, enacted certain laws relating to gold (31 USCA, Secs. 462, 463), which read in part as follows:

> "Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) every provision contained in or made with respect to any obligation which purports to give the obligee a right to require payment in gold or a particular kind of coin or currency, or in an amount in money of the United States measured thereby, is declared to be against public policy; and no such provision shall be contained in or made with

respect to any obligation hereafter incurred. Every obligation, heretofore or hereafter incurred, whether or not any such provision is contained therein or made with respect thereto, shall be discharged upon payment, dollar for dollar, in any coin or currency which at the time of payment is legal tender for public and private debts."

and

Whereas, for the better security and protection of the Bonds now or hereafter issued under the Original Indenture, the Company desires to evidence by the execution of this Supplemental Indenture the specific conveyance of certain additional property to the Trustees; and

Whereas, the Company, in the exercise of the powers and authority conferred upon and reserved to it under the provisions of the Original Indenture, and pursuant to appropriate resolutions of its Board of Directors, has duly resolved and determined to make, execute and deliver to the Trustees a Supplemental Indenture in the form hereof for the purposes herein provided; and

Whereas, all conditions and requirements necessary to make this Supplemental Indenture a valid, binding and legal instrument have been done, performed and fulfilled and the execution and delivery hereof have been in all respects duly authorized;

Now, therefore, this supplemental indenture witnesseth:

That Iowa Power and Light Company, in consideration of the premises and of One dollar to it duly paid by the Trustees at or before the ensealing and delivery of these presents, and for other good and valuable considerations, the receipt whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest (and premium, if any) on all Bonds at any time issued and outstanding under the Original Indenture, according to their tenor and effect, has granted, bargained, sold, warranted, aliened, remised, released, conveyed, confirmed, assigned, transferred, mortgaged, pledged and set over, and by these presents does grant, bargain, sell, warrant, alien, remise, release, convey, confirm, assign, transfer, mortgage, pledge and set over unto Harris Trust and Savings Bank and Harold Eckhart, as Trustees under the Original Indenture, and to their successor or successors in the trust thereby created, all and singular the following:

The following described property located in Polk County, Iowa:

All that part of Lots Seventeen (17) and Eighteen (18) of the Official Plat of Government Survey of Lots Four (4), Five (5), and Six (6) of Section Twenty (20), Township Seventy-eight (78) North, Range Twenty-three (23) West of the Fifth (5) P.M., lying North of a line One Hundred Fifty (150) feet North of and parallel to the center line of the Levee, except the right-of-way of the Chicago, Burlington & Quincy Railway Company and that part of aforesaid Lot Eighteen (18) lying Northeasterly of aforesaid Railway.

The electric distribution systems in the towns of Mingo, Monroe and Valeria and the unincorporated town of Percy in Jasper County, Iowa, the town of Patterson and St. Charles and the unincorporated town of Pitzer in Madison County, Iowa, the town of Leighton and the unincorporated towns of Evans, Indianapolis, Lacey, Olivet, Peoria, Taintor, Union Mills and White City in Mahaska County, Iowa, the unincorporated towns of Columbia, Cordova and Red Rock in Marion County, Iowa, the town of Runnells and the unincorporated towns of Adelphi, Avon and Enterprise in Polk County, Iowa, the towns of Ackworth, Hartford, Martinsdale, Norwalk, Sandyville and Springhill and the unincorporated towns of Attica, Liberty Center, Orilla, Prole, Summerset and Wick in Warren County, Iowa, the town of Bevington in Warren and Madison Counties, Iowa.

The gas distribution systems in the City of Indianola, Warren County, Iowa and in the City of Winterset, Madison County, Iowa.

Also the following electric transmission lines:

A 46,000 volt, wood pole, electric transmission line, consisting of three No. 4 copper wires, approximately three and five-tenths (3.5) miles in length, extending from a point southeast of the Town of Mitchellville, in Polk County, to the Central Broadcasting Company substation east of the Town of Mitchellville, in Polk County.

A 46,000 volt, wood pole, electric transmission line, consisting of three No. 4 copper wires, approximately one and three-tenths (1.3) miles in length, extending from a point one and nine-tenths (1.9) miles east of the Town of Waukee, in Dallas County, north approximately one and three-tenths (1.3) miles to the Shuler Coal Mine, in Dallas County.

A 46,000 volt, wood pole, electric transmission line, consisting of three No. 3/0 aluminum wires, approximately ten and two-tenths (10.2) miles in length, extending from the Town of Adel, in Dallas County, through the Town of DeSoto, in Dallas County, to a point approximately four (4) miles south of the Town of DeSoto, in Madison County.

A 46,000 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately three and five-tenths (3.5) miles in length, extending from a point approximately four (4) miles south of the Town of DeSoto, in Madison County, to the Hawkeye Quarry, approximately three (3) miles south east of the Town of Earlham, in Madison County.

A 22,000 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately eight and nine-tenths (8.9) miles in length, extending from the Town of Melcher, in Marion County, to the Consolidated Indiana Coal Mine located approximately two (2) miles north east of the Town of Williamson, in Lucas County.

A 22,000 volt, wood pole, electric transmission line, consisting of three No. 4 aluminum wires, approximately eight-tenths (.8) miles in length, extending from old line, approximately four (4) miles south east of the City of Knoxville, in Marion County, to the Penn Coal Company, in Marion County.

A 13,200 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately two and eight-tenths (2.8) miles in length, extending from the west City limits of the City of Valley Junction, in Polk County, to the Town of Commerce, in Polk County.

A 13,800 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately one and six-tenths (1.6) miles in length, extending from a point one (1.0) mile north west of the Town of Carlisle, in Warren County, to a point two and six-tenths (2.6) miles north west of the Town of Carlisle, in Warren County.

A 13,800 volt, wood pole, electric transmission line, consisting of three No. 4 copperweld wires, approximately eleven and three-tenths miles (11.3) in length, extending from old line at a point approximately one and five-tenths (1.5) miles north east of the City of Indianola, in Warren County, to the Great Lakes Pumping Station No. 8-A, located approximately seven and five-tenths (7.5) miles south of the City of Indianola, in Warren County.

A 13,200 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately three-tenths (.3) miles in length, extending from an old line at a point approximately two (2.0) miles south of the Town of Martensdale, in Warren County, to the Village of Wick, in Warren County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately four and eight-tenths (4.8) miles in length, extending from a point approximately four and five-tenths (4.5) miles north of the Town of Adel, in Dallas County, to the Town of Minburn, in Dallas County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately fifteen and five-tenths (15.5) miles in length, extending from a point five-tenths (.5) miles north of the north city limits of the City of Des Moines, on East Fourteenth Street, in Polk County, through the Village of Marquisville, in Polk County, through the Village of Carney, in Polk County, through the Village of Crocker, to connection with an old line at a point four (4.0) miles east of the Town of Polk City, in Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately one and three-tenths (1.3) miles in length, extending from old line at a point one and three-tenths (1.3) miles east of the Village of Saylorville, in Polk County, to the Village of Saylorville, in Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately six and three-tenths (6.3) miles in length, extending from the Town of Norwalk, in Warren County, to the Town of Springhill, in Warren County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately three and five-tenths (3.5) miles in length, extending from a point five (5.0) miles south of the Town of Prairie City, in Jasper County, to the Village of Percy, in Marion County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately eight (8.0) miles in length, extending from the Town of Melcher, in Marion County, to the Village of Columbia, in Marion County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately one and six-tenths (1.6) miles in length, extending from a point one and six-tenths (1.6) miles north of the Village of Union Mills, in Mahaska County, to the Village of Union Mills, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 2 aluminum wires, approximately five and six-tenths (5.6) miles in length, extending from the Town of New Sharon, in Mahaska County, to the Village of Taintor, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately six and seven-tenths (6.7) miles in length, extending from the Village of Taintor, in Mahaska County, to the Village of Peoria, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4 aluminum wires, approximately thirteen (13.0) miles in length, extending from the Town of Barnes City, in Mahaska County, to Village of Indianapolis, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately one and two-tenths (1.2) miles in length, extending from old line, a point approximately one and two-tenths (1.2) miles north east of the Village of Evans, in Mahaska County, to the Village of Evans, in Mahaska County.

A 2,300 volt, wood pole, electric transmission line, consisting of two No. 4 copper wires, approximately one (1.0) mile in length, extending from a point approximately one (1.0) mile east of the Village of Lacey, in Mahaska County, to the Village of Lacey, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 4A Copperweld wires, approximately eight and one-half (8.5) miles in length, extending from a point in the town of Martensdale, in Warren County, westwardly through the town of Bevington to the town of Patterson, in Madison County. X

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately twelve (12) miles in length, extending from a point near Hawkeye Quarry south of Earlham west and south to the village of Pitzer, all in Madison County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately six and one-half (6.5) miles in length, extending from West School near the northeast city limits of the City of Des Moines northerly to the Village of Enterprise, all in Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 4A Copperweld wires, approximately six (6.0) miles in length, extending from the Town of Mitchellville, in Polk County, eastwardly to the Town of Colfax, in Jasper County.

A 13,800 volt, wood pole, electric transmission line, consisting of three No. 2 copper wires, approximately two and one-half (2.5) miles in length, extending from a point one (1.0) mile north and one (1.0) mile east of Des Moines Power Station #2 to the center of Section 14, Twp 78, Range 23, Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of two partly No. 2 and partly No. 6A Copperweld wires, approximately three (3) miles in length, extending from the center of Section 14, Twp, 78 Range 23, to the Village of Adelphi, all in Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately six (6.0) miles in length, extending from Monroe, in Jasper County, southerly through the Village of Cordova to the Village of Red Rock, in Marion County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately nine (9.0) miles in length, extending southeasterly from the Town of Beacon to the Village of White City, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately five (5.0) miles in length, extending from the Town of Leighton to the Village of Olivet, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6A Copperweld wires, approximately one and one-half (1.5) miles in length, extending from the Village of Beech to the Town of Sandyville, in Warren County.

A 22,000 volt, wood pole, electric transmission line, consisting of three No. 6 wires, approximately three-fourths (¾) mile in length, extending from the northwest corner of Section 18, Twp. 73, Range 20, east to Indiana Consolidated Coal Co. mine substation, in Lucas County.

A 46,000 volt, wood pole, transmission line, consisting of three No. 4 copper wires, approximately four and eight-tenths (4.8) miles in length, extending from the Town of Adel, in Dallas County, to a point four and eight-tenths (4.8) miles west of the Town of Adel, Dallas County.

A 13,200 volt, wood pole, electric transmission line, consisting of three No. 6 copper wires, approximately nineteen and eight-tenths (19.8) miles in length, extending from southwest Forty-Second and Watrous Streets, at the south city limits of the city of Des Moines, through the Town of Norwalk, in Warren County, through the Village of Prole, in Warren County, through the Town of Martensdale, in Warren County to the Town of St. Mary's, in Warren County.

A 13,800 volt, wood pole, electric transmission line, consisting of three No. 4 copper wires, approximately twenty and three-tenths (20.3) miles in length, extending from a point two and six-tenths (2.6) miles northwest of the Town of Carlisle, in Warren County, through the Village of Summerset, in Warren County, to the Town of Milo, in Warren County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 4 aluminum wires, approximately eight (8.0) miles in length, extending from the City of Colfax, in Jasper County to the Town of Mingo, in Jasper County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 6 copper wires, approximately three and two-tenths (3.2) miles in length, extending from a point approximately one and five-tenths (1.5) miles south of the Town of Mingo, in Jasper County, to Valeria, in Jasper County.

A 6,900 volt, wood pole, electric transmission line, consisting of three No. 6 copper wires, approximately six and three-tenths (6.3) miles in length, extending from a point approximately one (1.0) mile northwest of the Town of Hartford, in Warren County, to the Town of Hartford, in Warren County, and to the Town of Runnells, in Polk County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately seven and three-tenths (7.3) miles in length, extending from the City of Oskaloosa, in Mahaska County, to the Town of Leighton, in Mahaska County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately three and six-tenths (3.6) miles in length, extending from a point approximately two (2.0) miles south of the south city limits of the City of Des Moines, in Polk County, to the Village of Orilla, in Warren County.

A 2,300 volt, wood pole, electric transmission line, consisting of three No. 6 copper wires, approximately three and nine-tenths (3.9) miles in length, extending from the Town of Norwalk, in Warren County, to a point approximately one (1.0) mile east of the Town of Cummings, in Warren County.

A 2,300 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately one (1.0) mile in length, extending from a point approximately one (1.0) mile east of the Town of Cummings, in Warren County, to the Town of Cummings, in Warren County.

A 2,300 volt, wood pole, electric transmission line, consisting of three No. 6 copper wires, approximately four and five-tenths (4.5) miles in length, extending from the Town of St. Mary's, in Warren County, to the Town of St. Charles, in Madison County.

A 2,300 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately nine and three-tenths (9.3) miles in length, extending from the Town of Milo, in Warren County, to the Village of Liberty Center, in Warren County.

A 2,300 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately three (3.0) miles in length, extending from the Village of Pershing, in Warren County, to the Village of Attica, in Marion County.

A 6,900 volt, wood pole, electric transmission line, consisting of two No. 6 copper wires, approximately one (1.0) mile in length, extending from a point one (1.0) mile east of the Village of Avon, in Polk County, to the Village of Avon in Polk County.

Also all 6,900 volt, wood pole, electric rural distribution lines in the following counties: Dallas County, Jasper County, Keokuk County, Madison County, Mahaska County, Marion County, Polk County, Poweshiek County and Warren County.

Also the following gas transmission lines:

A 3" high pressure steel pipe line approximately nine (9.0) miles in length, extending from the border station of the Natural Gas Pipe Line Company of America to the City regulating station south of the City limits of the City of Winterset, in Madison County.

A 16" high pressure steel pipe line two-tenths (.2) of a mile in length, extending from the border station of the Northern Natural Gas Company to the City limits of the City of Des Moines, in Polk County.

A 3" high pressure steel pipe line seven and three-quarters (7.75) miles in length, extending from the border station of the Natural Gas Pipe Line Company of America to the City regulating station at the south City limits of the City of Indianola, in Warren County.

Also 45,000 shares of common stock of the par value of $50 per share, being the entire issued and outstanding common stock, of Des Moines Gas Company, an Iowa corporation, 4,689 shares of 8% Cumulative Preferred Stock of the par value of $50 per share of said Des Moines Gas Company and 1,176 shares of 7% Cumulative Preferred Stock of the par value of $50 per share of said Des Moines Gas Company, certificates for which have heretofore been deposited with the Trust Company under the Original Indenture.

To HAVE AND TO HOLD all of said properties mortgaged, pledged and conveyed as aforesaid unto the Trustees, and their successor or successors in the trust created by the Original Indenture, but in trust, nevertheless, upon the terms and trusts in the Original Indenture and any indentures supplemental thereto, including this Supplemental Indenture, for the equal and proportionate benefit and security of any and all Bonds issued and to be issued under the Original Indenture, without preference of any Bond over any other Bond by reason of priority in date of issuance, negotiation, time of maturity, or for any other cause whatsoever, except as therein otherwise expressly provided.

AND it is hereby covenanted and agreed between the parties hereto as follows:

ARTICLE I

DESCRIPTION OF BONDS OF 1968 SERIES.

SECTION 1. The Company hereby creates a new series of Bonds to be issued under and secured by the Original Indenture, to be designated as "First Mortgage Bonds, 4% Series due 1968", (herein referred to as "Bonds of 1968 Series"). Except as otherwise expressly provided in this Supplemental Indenture, the Bonds of 1968 Series shall be executed, authenticated and delivered in accordance with, and shall in all respects be subject to, all of the terms, conditions and covenants of the Original Indenture.

The coupon Bonds of 1968 Series shall be dated March 1, 1938, and all Bonds of 1968 Series shall mature March 1, 1968, and shall bear interest at the rate of four per centum (4%) per annum, payable semi-annually on the first day of March and the first day of September in each year, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois.

Section 2. The Bonds of 1968 Series shall be coupon Bonds registerable as to principal, of the denomination of $1,000, numbered consecutively from M 1 upwards, and registered Bonds without coupons of the denominations of $1,000, numbered consecutively from RM 1 upwards, $5,000, numbered consecutively from RV 1 upwards, or any multiple of $5,000 numbered consecutively from R 1 upwards.

Coupon Bonds of 1968 Series may be exchanged, upon surrender thereof, with all unmatured coupons attached, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, for a registered Bond or registered Bonds of 1968 Series without coupons, of authorized denominations, for the same aggregate principal amount, upon payment of a reasonable charge to the Company. All coupon Bonds so surrendered shall be delivered to the Trust Company which shall hold such Bonds uncancelled for delivery in exchange for registered Bonds without coupons when such registered Bonds without coupons are presented for such purpose.

Any registered Bond of 1968 Series without coupons may be transferred at the agency of the Company in the

Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, upon surrendering such Bond for cancellation accompanied by delivery of a written instrument of transfer in a form approved by the Company, duly executed by the registered owner of such Bond, and thereupon the Company shall execute in the name of the transferee or transferees and the Trustee shall authenticate and deliver, a new registered Bond or Bonds of such series without coupons for the same aggregate principal amount; and a registered Bond of 1968 Series without coupons, with or without other registered Bonds of such series, may be exchanged, upon surrender thereof for cancellation at either of said agencies of the Company, for one or more registered Bonds of 1968 Series without coupons, of authorized denominations for the same aggregate principal amount, or for a coupon Bond or Bonds of such series of the denomination of $1,000, for the same aggregate principal amount, with coupons representing interest from the next preceding interest payment date, and bearing the serial numbers, if any, endorsed on the Bond so surrendered; upon payment, in the case of any such transfer or exchange, of a reasonable charge to the Company. Every registered Bond of 1968 Series without coupons shall be dated as of the date of its authentication and delivery (except that if any such registered Bond shall be authenticated and delivered on any interest payment date it shall be dated as of the day next following such interest payment date), and shall bear interest from the interest payment date next preceding the date of such Bond, or, in the case of registered Bonds without coupons authenticated and delivered on the initial authentication and delivery of Bonds of 1968 Series, from the first date from which interest is payable with respect to Bonds of such Series.

SECTION 3. The coupon Bonds of 1968 Series, the coupons to be attached thereto, and the registered Bonds of 1968 Series without coupons shall be substantially in the following forms respectively:

[FORM OF COUPON BOND]

No. $1,000

IOWA POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Iowa)

FIRST MORTGAGE BOND, 4% SERIES DUE 1968

Dated March 1, 1938 Due March 1, 1968

IOWA POWER AND LIGHT COMPANY, a corporation of the State of Iowa (hereinafter called the "Company"), for value received, hereby promises to pay, on the first day of March, 1968 (unless this Bond be sooner redeemed as hereinafter provided), to bearer, or, if registered, to the registered owner of this Bond, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, the principal sum of One thousand dollars ($1,000), in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, and, until such principal sum shall have been paid, to pay interest thereon from March 1, 1938, at the rate of four per centum (4%) per annum, such interest to be payable, at the option of the bearer of the interest coupons, at either of the places hereinbefore specified for payment of the principal of this Bond, in like gold coin, semi-annually on the first day of March and the first day of September in each year, such interest to the date of the fixed maturity of this Bond being payable only upon presentation and surrender, as they severally mature, of the coupons for such interest hereto annexed.

This Bond is one of a duly authorized issue of Bonds of the Company, of the series and designation indicated on the face hereof. Said issue of Bonds consists, or may consist, of several series of varying denominations, dates and tenor, all of which Bonds have been issued, or are to be issued, under and in pursuance of, and (except as to any sinking fund which may be established for the exclusive benefit of one or more particular series of such Bonds) are all equally and ratably secured by an Indenture of mortgage or deed of trust dated March 1, 1928, duly executed by the Company to Harris Trust and Savings Bank and M. H. MacLean, as Trustees, the latter succeeded by Harold Eckhart, as Trustee, to which Indenture and all indentures supplemental thereto, reference is hereby made for a description of the property thereby mortgaged and pledged, the nature and extent of the security thereby created, and the rights of the holders of said Bonds in respect of such security. The Bonds of the 4% Series due 1968 are described in an indenture (herein called the "Supplemental Indenture of April 15, 1938") dated April 15, 1938, between the Company and Harris Trust and Savings Bank and Harold Eckhart, as Trustees, supplemental to said Indenture.

The Bonds of the 4% Series due 1968 are subject to redemption (otherwise than for the sinking fund mentioned below or by the application of certain moneys from time to time constituting a part of the trust property) on any interest payment date prior to maturity, at the option of the Company, as a whole or in part from time to time by lot: at 107½% of the principal amount thereof, if redeemed on September 1, 1938 or March 1, 1939; with successive reductions in the redemption price of ½ of 1% of the principal amount thereof on September 1 of each of the years 1939 to 1943, inclusive; and with successive reductions in the redemption price of ¼ of 1% of the principal amount thereof on September 1 of each of the years 1944 to 1958, inclusive, and on September 1, 1960 and September 1, 1962; and at the principal amount thereof on any interest payment date after March 1, 1963; together, in each case, with accrued interest to the redemption date, upon notice given by publication once in each of three separate calendar weeks in a newspaper printed in English and published and of general circulation in the Borough of Manhattan, The City of New York, and in a like newspaper in the City of Chicago, Illinois (the first of such publications to be not more than ninety nor less than thirty days prior to the date fixed for redemption), and upon notice given by mail, all subject to the conditions and as more fully set forth in said Indenture and the Supplemental Indenture of April 15, 1938. If the Bonds so to be redeemed are registered Bonds without coupons or coupon Bonds registered as to principal, no such notice by publication shall be required.

The Supplemental Indenture of April 15, 1938 provides for a sinking fund while Bonds of 4% Series due 1968 are outstanding, applicable to the redemption of Bonds of any series as the Trust Company may determine. Bonds of any series may be delivered by the Company for cancellation and applied, at the principal amount thereof, in reduction of sinking fund payments. The Bonds of 4% Series due 1968 are also entitled to the benefit of the improvement fund established by said Indenture.

To the extent provided in the Supplemental Indenture of April 15, 1938, the Bonds of 4% Series due 1968 are subject to redemption for the sinking fund, or by application of improvement fund moneys and certain other moneys from time to time constituting a part of the trust property, on September 1, 1939, and on any interest payment date thereafter prior to maturity: at 102.65% of the principal amount thereof if redeemed on September 1, 1939 or March 1, 1940; with successive reductions in the redemption price of .05 of 1% of the principal amount thereof on September 1 of each of the years 1940 to 1942, inclusive; and with successive reductions in the redemption price of .07 of 1% of the principal amount thereof on September 1 of each of the years 1943 to 1947, inclusive; and with successive reductions in the redemption price of .08 of 1% of the principal amount thereof on September 1 of each of the years 1948 to 1952, inclusive; and with successive reductions in the redemption price of .09 of 1% of the principal amount thereof on September 1 of each of the years 1953 to 1957, inclusive; and with successive reductions in the redemption price of .12 of 1% of the principal amount thereof on September 1 of each of the years 1958 to 1962, inclusive; and at the principal amount thereof on any interest payment date after March 1, 1963; together, in each case, with accrued interest to the redemption date, all subject to the conditions and as more fully set forth in the Supplemental Indenture of April 15, 1938.

In case of default in the payment of any instalment of interest on any Bond of said issue, and the continuance thereof for a period of sixty days, the principal of all Bonds of said issue may be declared due and payable prior to their regular maturity, in the manner and upon the conditions expressed in said Indenture, and may otherwise be declared due and payable prior to such maturity upon the occurrence and continuance of other defaults as provided in said Indenture and the Supplemental Indenture of April 15, 1938.

No recourse shall be had for the payment of the principal of or interest on this Bond against any incorporator, stockholder, director or officer of the Company, past, present or future, either directly or through the Company, by virtue of any statute or constitution, or by the enforcement of any assessment or penalty, or otherwise, howsoever, any and all liability of incorporators, stockholders, directors and officers of the Company being hereby waived and released by each successive holder of this Bond.

This Bond shall pass by delivery unless registered in the owner's name on registration books of the Company, to be kept at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, such registration being noted hereon by the Bond Registrar of the Company, after which no transfer shall be valid unless made on said books in the manner prescribed in said Indenture and similarly noted hereon, but the same may be discharged from registry by being transferred in like manner to bearer, after which transferability by delivery shall be restored, and again, from time to time, it may be registered or transferred to bearer as before. Such registration, however, shall not affect the transferability of the coupons for the interest hereon by delivery merely, and payment to the bearer thereof shall discharge the Company in respect of the interest therein mentioned, whether or not the Bond shall have been registered.

This Bond, with or without other coupon Bonds of the same series, may be exchanged, upon surrender thereof, with all unmatured coupons attached, at either of said agencies of the Company, and upon the payment of charges, for a registered Bond or registered Bonds without coupons of the same series, of authorized denominations, for the same aggregate principal amount, bearing interest from the interest payment date next preceding the date thereof (each registered Bond without coupons to be dated as of the date of its authentication and delivery, unless authenticated and delivered on an interest payment date, in which event it shall be dated as of the day next following such interest payment date).

Neither this Bond, nor any of the coupons for interest hereto annexed, shall become or be valid until this Bond shall have been authenticated by the certificate endorsed hereon, duly signed by Harris Trust and Savings Bank, one of the Trustees under said Indenture, or by its successor in said trust.

In witness whereof, Iowa Power and Light Company has caused this Bond to be signed by its President or a Vice-President, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary, and the coupons for such interest, bearing the facsimile signature of its Treasurer, to be attached hereto, as of the first day of March, A. D. 1938.

Iowa Power and Light Company

By ....

Vice-President.

Attest:

....

Assistant Secretary.

[FORM OF COUPON]

No. $20

4% Series Due 1968.

On the first day of , 19 , Iowa Power and Light Company will pay the bearer hereof, at the agency of the Company in the Borough of Manhattan, The City of New York, or, at the option of such bearer, at the agency of the Company in the City of Chicago, Illinois, Twenty dollars ($20) in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, being semi-annual interest then due upon its First Mortgage Bond, 4% Series due 1968, No. . . . ., unless said Bond shall have been duly called for previous redemption.

. . . .
Treasurer.

[FORM OF REGISTERED BOND WITHOUT COUPONS]

No. . . . . $. . . . .

IOWA POWER AND LIGHT COMPANY
(Incorporated under the laws of the State of Iowa)

FIRST MORTGAGE BOND, 4% SERIES DUE 1968
Due March 1, 1968

IOWA POWER AND LIGHT COMPANY, a corporation of the State of Iowa (hereinafter called the "Company"), for value received, hereby promises to pay, on the first day of March, 1968 (unless this Bond be sooner redeemed as hereinafter provided), to . . . ., or registered assigns, at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, the principal sum of . . . . Dollars ($), in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, and, until such principal sum shall have been paid, to pay interest thereon from the interest date (March 1 or September 1) next preceding the date of this Bond, at the rate of four per centum (4%) per annum, such interest to be payable, at the option of the owner at either of the places hereinbefore specified for payment of the principal of this Bond, in like gold coin, semi-annually on the first day of March and the first day of September in each year.

This Bond is one of a duly authorized issue of Bonds of the Company, of the series and designation indicated on the face hereof. Said issue of Bonds consists, or may consist, of several series of varying denominations, dates and tenor, all of which Bonds have been issued, or are to be issued, under and in pursuance of, and (except as to any sinking fund which may be established for the exclusive benefit of one or more particular series of such Bonds) are all equally and ratably secured by an Indenture of mortgage or deed of trust dated March 1, 1928, duly executed by the Company to Harris Trust and Savings Bank and M. H. MacLean, as Trustees, the latter succeeded by Harold Eckhart, as Trustee, to which Indenture and all indentures supplemental thereto, reference is hereby made for a description of the property thereby mortgaged and pledged, the nature and extent of the security thereby created, and the rights of the holders of said Bonds in respect of such security. The Bonds of the 4% Series due 1968 are described in an indenture (herein called the "Supplemental Indenture of April 15, 1938") dated April 15, 1938, between the Company and Harris Trust and Savings Bank and Harold Eckhart, as Trustees, supplemental to said Indenture.

The Bonds of the 4% Series due 1968 are subject to redemption (otherwise than for the sinking fund mentioned below or by the application of certain moneys from time to time constituting a part of the trust property) on any interest payment date prior to maturity, at the option of the Company, as a whole or in part from time to time by lot: at 107½% of the principal amount thereof, if redeemed on September

1, 1938 or March 1, 1939; with successive reductions in the redemption price of ½ of 1% of the principal amount thereof on September 1 of each of the years 1939 to 1943, inclusive; and with successive reductions in the redemption price of ¼ of 1% of the principal amount thereof on September 1 of each of the years 1944 to 1958, inclusive, and on September 1, 1960 and September 1, 1962; and at the principal amount thereof on any interest payment date after March 1, 1963; together, in each case, with accrued interest to the redemption date, upon notice given by publication once in each of three separate calendar weeks in a newspaper printed in English and published and of general circulation in the Borough of Manhattan, The City of New York, and in a like newspaper in the City of Chicago, Illinois (the first of such publications to be not more than ninety nor less than thirty days prior to the date fixed for redemption), and upon notice given by mail, all subject to the conditions and as more fully set forth in said Indenture and the Supplemental Indenture of April 15, 1938. If the Bonds so to be redeemed are registered Bonds without coupons or coupon Bonds registered as to principal, no such notice by publication shall be required.

The Supplemental Indenture of April 15, 1938 provides for a sinking fund while Bonds of 4% Series due 1968 are outstanding, applicable to the redemption of Bonds of any series as the Trust Company may determine. Bonds of any series may be delivered by the Company for cancellation and applied, at the principal amount thereof, in reduction of sinking fund payments. The Bonds of 4% Series due 1968 are also entitled to the benefit of the improvement fund established by said Indenture.

To the extent provided in the Supplemental Indenture of April 15, 1938, the Bonds of 4% Series due 1968 are subject to redemption for the sinking fund, or by application of improvement fund moneys and certain other moneys from time to time constituting a part of the trust property, on September 1, 1939, and on any interest payment date thereafter prior to maturity: at 102.65% of the principal amount thereof if redeemed on September 1, 1939 or March 1, 1940; with successive reductions in the redemption price of .05 of 1% of the principal amount thereof on September 1 of each of the years 1940 to 1942, inclusive; and with successive reductions in the redemption price of .07 of 1% of the principal amount thereof on September 1 of each of the years 1943 to 1947, inclusive; and with successive reductions in the redemption price of .08 of 1% of the principal amount thereof on September 1 of each of the years 1948 to 1952, inclusive; and with successive reductions in the redemption price of .09 of 1% of the principal amount thereof on September 1 of each of the years 1953 to 1957, inclusive; and with successive reductions in the redemption price of .12 of 1% of the principal amount thereof on September 1 of each of the years 1958 to 1962, inclusive; and at the principal amount thereof on any interest payment date after March 1, 1963; together, in each case, with accrued interest to the redemption date, all subject to the conditions and as more fully set forth in the Supplemental Indenture of April 15, 1938.

In case of default in the payment of any instalment of interest on any Bond of said issue, and the continuance thereof for a period of sixty days, the principal of all Bonds of said issue may be declared due and payable prior to their regular maturity, in the manner and upon the conditions expressed in said Indenture, and may otherwise be declared due and payable prior to such maturity upon the occurrence and continuance of other defaults as provided in said Indenture and the Supplemental Indenture of April 15, 1938.

No recourse shall be had for the payment of the principal of or interest on this Bond against any incorporator, stockholder, director or officer of the Company, past, present or future, either directly or through the Company, by virtue of any statute or constitution, or by the enforcement of any assessment or penalty, or otherwise, howsoever, any and all liability of incorporators, stockholders, directors and officers of the Company being hereby waived and released by each successive holder of this Bond.

This Bond is transferable by the registered owner hereof, in person or by duly authorized attorney, on the books of the Company to be kept for that purpose at the agency of the Company in the Borough of Manhattan, The City of New York, or at the agency of the Company in the City of Chicago, Illinois, upon surrender and cancellation of this Bond and on presentation of a duly executed written instrument of transfer, and upon payment of charges, and thereupon a new registered Bond or Bonds without coupons, of the same series, for the same aggregate principal amount and in authorized denominations will be issued to the transferee or transferees in exchange herefor; and this Bond, with or without others of like form and series, may in like manner, and upon payment of charges, be exchanged for one or more new registered Bonds of the same series of other authorized denominations but for the same aggregate principal amount, or for a coupon Bond or Bonds of the same series of the denomination of $1,000 and for the same aggregate principal amount with coupons attached maturing on and after the next ensuing interest payment date.

This Bond shall not become or be valid until authenticated by the certificate endorsed hereon, duly signed by Harris Trust and Savings Bank, one of the Trustees under said Indenture, or by its successor in said trust.

In witness whereof, Iowa Power and Light Company has caused this Bond to be signed by its President or a Vice-President, and its corporate seal to be hereunto affixed and to be attested by its Secretary or an Assistant Secretary.

Dated,

Iowa Power and Light Company

By ....
Vice-President.

Attest:

....
Assistant Secretary.

[FORM OF TRUSTEE'S CERTIFICATE]

This Bond is one of the Bonds (in temporary form), of the series designated thereon, mentioned and described in the Supplemental Indenture of April 15, 1938 within referred to.

HARRIS TRUST AND SAVINGS BANK

By ....
(Authorized Officer)

SECTION 4. There shall be imprinted upon, or embodied in, the face of the Bonds of 1968 Series, a legend reading substantially as follows:

"The provision that the principal of, premium, if any, and interest on this Bond is payable in gold coin of the United States of America of the standard of weight and fineness existing on March 1, 1928, was included therein in compliance with the terms of the Indenture described in this Bond which was executed prior to the approval, on June 5, 1933, of Public Resolution No. 10 of the Seventy-third Congress. Special attention is called to the fact that said public resolution provides in part as follows:

'Every obligation heretofore or hereafter incurred whether or not any such provision is contained therein or made with respect thereto shall be discharged upon payment dollar for dollar in any coin or currency which at the time of payment is legal tender for public or private debts.'"

and a similar imprint or an appropriate reference thereto shall be placed upon the panel of the Bonds of 1968 Series and upon the coupons to be attached to coupon Bonds of 1968 Series.

ARTICLE II

Issue of Bonds and Additional Covenants with Respect Thereto.

Section 1. Bonds of 1968 Series in the aggregate principal amount of $5,700,000 shall forthwith be executed by the Company and delivered to the Trust Company and shall be authenticated by the Trust Company and delivered to or upon the order of the Company in accordance with the provisions of the Original Indenture.

Section 2. From time to time hereafter the Company may execute and deliver to the Trust Company, and the Trust Company shall thereupon authenticate and deliver to or upon the order of the Company, additional Bonds of 1968 Series or additional Bonds of any other series, without limitation as to aggregate principal amount except as imposed by law, upon compliance with and subject to the provisions of the Original Indenture and this Supplemental Indenture.

Section 3. The Company covenants and agrees that so long as any Bonds of 1968 Series are outstanding:

(a) It will not apply for the authentication and delivery of additional Bonds of any series pursuant to Section 2 of Article III of the Original Indenture or the withdrawal of cash pursuant to Section 4 of said Article III on the basis of fundable underlying obligations of any subsidiary or fundable preferred stock of any subsidiary;

(b) It will not apply for the authentication and delivery of additional Bonds of any series pursuant to Section 3 of Article III of the Original Indenture or the withdrawal of cash pursuant to Section 4 of said Article III on the basis of fundable acquisitions in excess of a principal amount, in the case of additional Bonds, or of an amount, in the case of cash, equal to seventy per centum (70%) (which per centum is subject to reduction as provided in Section 2 of Article IX hereof) of the cash cost or fair value, whichever is the lesser, of fundable acquisitions comprising property additions acquired or constructed by the Company subsequent to February 28, 1938;

(c) It will not apply for the authentication and delivery of additional Bonds of any series (1) pursuant to Section 3 or Section 4 of Article III of the Original Indenture, or (2) pursuant to Section 7 of said Article III in respect of any retired Bonds if such additional Bonds are to be authenticated and delivered more than two years prior to the regular maturity (by lapse of time and not by call for redemption) of such retired Bonds—unless in each such case the earnings applicable to bond interest for a period of twelve consecutive calendar months ending not more than three months prior to the receipt by the Trust Company of the application for the authentication and delivery of such additional Bonds, shall have been equal to at least twice the annual interest charge on all Bonds then outstanding under the Original Indenture, including those applied for, and any other applicable charges referred to in Section 5 of Article III of the Original Indenture.

Section 4. For the purposes of Subdivision (c) of Section 3 of this Article, earnings applicable to bond interest shall be ascertained and computed in accordance with Subdivision (9) of Article I and Section 5 of Article III of the Original Indenture, but the amount of net earnings derived from the operation of properties, other than electric or gas properties (exclusive of gas properties of the nature specified in clause (e) of Section 5 of this Article), which may be included in such computation shall not exceed fifteen per centum (15%) of the earnings applicable to bond interest if such earnings applicable to bond interest were computed solely on the basis of earnings derived from the operation of such electric and gas properties (exclusive of gas properties of the nature specified in clause (e) of Section 5 of this Article). For the purposes of this Section no portion of the earnings of the Company shall be allocated to gas transmission lines now owned by the Company or its subsidiary Des Moines Gas Company.

SECTION 5. In computing the amount of property additions which may be made the basis of any application for the authentication and delivery of additional Bonds pursuant to Section 3 of Article III of the Original Indenture and Section 3 of this Article or the withdrawal of cash pursuant to Section 4 of Article III of the Original Indenture and Section 3 of this Article, there shall be excluded, in addition to the exclusions required by Subdivision (7) of Article I of the Original Indenture, (a) property additions acquired or constructed by the Company or by any subsidiary prior to March 1, 1938; (b) property additions which shall have theretofore been made the basis for the withdrawal of cash under Article III of this Supplemental Indenture; (c) property additions which are subject to any lien or liens prior to the lien of the Original Indenture, unless such prior lien or prior liens are to be discharged, or provision for such discharge as provided in Section 11 of Article III of the Original Indenture shall have been made, simultaneously with the action to be taken by the Trust Company on such application; (d) any public utility property, as defined in Subdivision (8) of Article I of the Original Indenture, other than property used or held for purchasing, generating, manufacturing, utilizing, transmitting or disposing of electricity or gas, either natural or artificial or mixed, and located in the State of Iowa, or located in a contiguous state if such property additions are physically connected, or are reasonably capable of being physically connected, with properties of the Company located in Iowa; and (e) any natural gas or oil wells or leases or real estate acquired for the purpose of obtaining gas or oil rights or any pipe lines for the transmission of gas or oil, other than local distribution mains and branch supply or high pressure connecting lines held or used by the Company for supplying gas to its customers; and there shall be deducted from the amount of property additions so computed, to the extent not previously or otherwise required to be deducted, (x) the actual cost of trust property of the nature of property additions (other than property released from the lien of the Original Indenture pursuant to Section 1 of Article XI thereof and property of the nature specified in clauses (c), (d) and (e) of this Section) theretofore, but since February 28, 1938, retired, and (y) the excess, if any, of the actual cost of trust property of the nature of property additions (other than property of the nature specified in clauses (c), (d) and (e) of this Section) theretofore, but since February 28, 1938, released from the lien of the Original Indenture pursuant to Section 1 of Article XI thereof, over the fair value of such property at the time of its release, as stated in a certificate filed with the Trust Company pursuant to Subdivision (a) of Section 1 of said Article XI, or over the proceeds of property paid over to the Trust Company pursuant to said Section 1 as net proceeds realized from property taken in eminent domain proceedings or acquired by any municipality or other governmental subdivision pursuant to a right of purchase provided by law, ordinance or franchise.

Each certificate filed with the Trust Company pursuant to Subdivision (2) of Section 3 of Article III of the Original Indenture upon any application for authentication and delivery of additional Bonds pursuant to said Section 3 or the withdrawal of cash pursuant to Section 4 of said Article III shall, in addition to the matters required by said Subdivision (2), specifically show that there is not included in such certificate any items required to be excluded by this Section and that the deductions required by this Section have been made.

Section 6. The terms of Sections 3, 4 and 5 of this Article shall not apply to the authentication and delivery of Bonds pursuant to Section 1 of this Article.

ARTICLE III

Deposit of Cash upon Initial Issue of Bonds of 1968 Series

The Company covenants that, forthwith upon the authentication and delivery of the $5,700,000 principal amount of Bonds of 1968 Series pursuant to Section 1 of Article II of this Supplemental Indenture, it will deposit with the Trust Company, in addition to any cash deposited with the Trust Company under the provisions of the Original Indenture as the basis for the issue of such Bonds, the sum of $2,543,600, which sum of $2,543,600 shall be held by the Trust Company as part of the trust property, and paid over from time to time by the Trust Company to or upon the order of the Company signed by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company, in amount equal to the cash cost or fair value, whichever is the lesser, of fundable acquisitions comprising gross property additions acquired or constructed by the Company subsequent to February 28, 1938.

In computing the amount of such gross property additions made the basis of any such withdrawal, there shall be excluded property additions required to be excluded by clauses (a) to (e), inclusive, of Section 5 of Article II of this Supplemental Indenture and all other items required to be excluded by Subdivision (7) of Article I of the Original Indenture except clause (c) of said Subdivision (7), but neither clause (c) of said Subdivision (7) nor clauses (x) and (y) of Section 5 of Article II of this Supplemental Indenture shall be applicable to the computation of the amount of such gross property additions for the purposes of this Article. The Trust Company shall pay such sums to the Company only upon receipt by the Trust Company of a certified copy of a resolution of the Board of Directors of the Company authorizing the application for the withdrawal of cash in the amount therein specified and the certificates, opinion of counsel and other instruments of the nature specified in Subdivisions (2), (3), (5) and (7) of Section 3 of Article III of the Original Indenture appropriately modified to apply to the withdrawal of cash pursuant to the provisions of this Article.

Any cash in excess of $500,000 held by the Trust Company pursuant to this Article, which shall not have been withdrawn within a period of three years after the date of its deposit, and any cash in excess of $25,000 held by the Trust Company pursuant to this Article, which shall not have been withdrawn within a period of five years after the date of its deposit, shall be applied by the Trust Company to the purchase in the open market or to the redemption of any of the Bonds secured by the Original Indenture in the manner and upon the conditions provided in Section 3 of Article IV of the Original Indenture. Bonds of 1968 Series shall be redeemable by the use of such moneys at the prices specified in Section 3 of Article V of this Supplemental Indenture for redemption for the sinking fund.

ARTICLE IV

Redemption.

Section 1. The Bonds of 1968 Series shall be redeemable (otherwise than for the sinking fund provided for by Article V of this Supplemental Indenture and otherwise than by the application of improvement fund moneys, insurance moneys, proceeds of released property, or money deposited pursuant to Article III of this

Supplemental Indenture) on any interest payment date prior to maturity, at the option of the Company, as a whole or in part from time to time by lot, upon payment at:

107½% of the principal amount thereof on September 1, 1938 and March 1, 1939;

107% of the principal amount thereof on September 1, 1939 and March 1, 1940;

106½% of the principal amount thereof on September 1, 1940 and March 1, 1941;

106% of the principal amount thereof on September 1, 1941 and March 1, 1942;

105½% of the principal amount thereof on September 1, 1942 and March 1, 1943;

105% of the principal amount thereof on September 1, 1943 and March 1, 1944;

104¾% of the principal amount thereof on September 1, 1944 and March 1, 1945;

104½% of the principal amount thereof on September 1, 1945 and March 1, 1946;

104¼% of the principal amount thereof on September 1, 1946 and March 1, 1947;

104% of the principal amount thereof on September 1, 1947 and March 1, 1948;

103¾% of the principal amount thereof on September 1, 1948 and March 1, 1949;

103½% of the principal amount thereof on September 1, 1949 and March 1, 1950;

103¼% of the principal amount thereof on September 1, 1950 and March 1, 1951;

103% of the principal amount thereof on September 1, 1951 and March 1, 1952;

102¾% of the principal amount thereof on September 1, 1952 and March 1, 1953;

102½% of the principal amount thereof on September 1, 1953 and March 1, 1954;

102¼% of the principal amount thereof on September 1, 1954 and March 1, 1955;

102% of the principal amount thereof on September 1, 1955 and March 1, 1956;

101¾% of the principal amount thereof on September 1, 1956 and March 1, 1957;

101½% of the principal amount thereof on September 1, 1957 and March 1, 1958;

101¼% of the principal amount thereof on September 1, 1958, March 1, 1959, September 1, 1959 and March 1, 1960;

101% of the principal amount thereof on September 1, 1960, March 1, 1961, September 1, 1961 and March 1, 1962;

100¾% of the principal amount thereof on September 1, 1962 and March 1, 1963;

The principal amount thereof on any interest payment date after March 1, 1963,

together, in each case, with accrued interest to the redemption date.

Section 2. Notice of redemption shall be given by publication once in each of three separate calendar weeks in a newspaper printed in English and published and of general circulation in the Borough of Manhattan, The City of New York, and in a like newspaper in the City of Chicago, Illinois, the first of such publications to be not more than ninety nor less than thirty days prior to the date fixed for redemption, and similar notice shall be mailed by the Company or by the Trust Company at least thirty days and not more than ninety days prior to the date of redemption to the registered owners of any registered Bonds without coupons or any coupon Bonds registered as to principal, at their address as the same shall appear on the transfer register of the Company; provided, however, that, if all the Bonds of 1968 Series so to be redeemed are registered Bonds without coupons or coupon Bonds registered as to principal, no such notice by publication shall be required.

Section 3. In case the Company desires to redeem less than all of the outstanding Bonds of 1968 Series, it shall, in each such instance, within a reasonable time prior to the first publication and mailing of the notice of redemption required by Section 2 of this Article IV, notify the Trust Company in writing of its desire so to do and of the aggregate principal amount of Bonds of 1968 Series so to be redeemed, and thereupon the Trust Company shall draw by lot, in any manner deemed by it proper, from the distinctive numbers of coupon Bonds of 1968 Series which are either outstanding or are reserved unissued for registered Bonds of 1968 Series without coupons outstanding, the Bonds of 1968 Series to be redeemed, and shall notify the Company in writing of the numbers of the Bonds so drawn. The Bonds of 1968 Series may be drawn by lot individually or, in the discretion of the Trust Company, in groups of Bonds consecutively numbered or both such methods either including or excluding, for the purpose of such grouping, the numbers of Bonds of 1968 Series previously called for redemption or otherwise retired. Registered Bonds of 1968 Series without coupons shall be deemed to have been drawn by lot if and to the extent that the serial numbers of coupon Bonds reserved therefor are drawn as aforesaid. In the case of any redemption of less than all of the outstanding Bonds of 1968 Series, the notice of redemption shall specify the distinctive numbers of the Bonds to be redeemed, to be stated in any one or more of the following ways—individually, in groups from one number to another inclusive, or in groups from one number to another inclusive except such as shall have been previously called for redemption or otherwise retired.

ARTICLE V

Sinking Fund.

Section 1. The Company covenants and agrees that so long as any of the Bonds of 1968 Series are outstanding, the Company, subject to Section 2 of this Article, on or before the fifteenth day of June in each of the calendar years 1939 to 1967, both inclusive, will pay to the Trust Company in lawful money of the United States of America, as and for a sinking fund for the use and benefit of the holders of the Bonds, a sum equal to one per centum (1%) of the excess of (a) the aggregate principal amount of the Bonds of all series issued pursuant to Article III of the Original Indenture prior to June 15 of the particular year in question, over (b) the aggregate principal amount of Bonds of all such series which prior to said date have been retired other than through any sinking fund, improvement fund or analogous fund.

Any Bond previously issued under the Original Indenture shall be deemed to have been retired if it shall have been paid or redeemed or surrendered to the Trust Company and cancelled (unless such surrender shall have been made in exchange for another Bond or Bonds of the same series and evidencing the same indebtedness), or if the money necessary to effect its payment or redemption shall have been deposited for that purpose with the Trust Company hereunder, and, in the case of redemption, if it shall have been called for redemption or an effective provision satisfactory to the Trust Company shall have been made for such call.

SECTION 2. In lieu of the whole or any part of the cash payments provided for in Section 1 of this Article, if on or before June 8, 1939 or during the twelve months' period ending on the eighth day of June in any succeeding year preceding any sinking fund payment date, the Company shall deliver Bonds of any series issued under the Original Indenture to the Trust Company for cancellation for the sinking fund, together with an officers' certificate signed and sworn to by the President or a Vice President and by the Treasurer or an Assistant Treasurer of the Company, stating that such Bonds delivered by the Company were theretofore bona fide sold by the Company and have been acquired by the Company at a cost not in excess of the redemption prices at the time applicable and that no portion of said Bonds has been made the basis for the authentication and delivery of additional Bonds under the provisions of the Original Indenture, the obligation of the Company to make the said payment in cash before the fifteenth day of June, next following, shall be credited with an amount equal to the principal amount of such Bonds so delivered by the Company and the amount in cash required to be paid by the Company as aforesaid shall be reduced accordingly. All coupon Bonds so delivered by the Company to the Trust Company for credit against the sinking fund obligation of the Company shall be accompanied by all unmatured coupons appertaining thereto and all registered Bonds without coupons and all coupon Bonds registered as to principal so delivered shall be accompanied by duly executed instruments of transfer.

SECTION 3. All cash paid to the Trust Company pursuant to the provisions of this Article shall be held in trust and applied by the Trust Company to the redemption of Bonds of any series issued under the Original Indenture as the Trust Company may determine in the manner provided in Section 3 of Article IV of the Original Indenture, on the next date upon which the Bonds to be redeemed are redeemable. The Bonds of 1968 Series shall be redeemable for the sinking fund at:

102.65% of the principal amount thereof on September 1, 1939 and March 1, 1940;

102.60% of the principal amount thereof on September 1, 1940 and March 1, 1941;

102.55% of the principal amount thereof on September 1, 1941 and March 1, 1942;

102.50% of the principal amount thereof on September 1, 1942 and March 1, 1943;

102.43% of the principal amount thereof on September 1, 1943 and March 1, 1944;

102.36% of the principal amount thereof on September 1, 1944 and March 1, 1945;

102.29% of the principal amount thereof on September 1, 1945 and March 1, 1946;

102.22% of the principal amount thereof on September 1, 1946 and March 1, 1947;

102.15% of the principal amount thereof on September 1, 1947 and March 1, 1948;

102.07% of the principal amount thereof on September 1, 1948 and March 1, 1949;

101.99% of the principal amount thereof on September 1, 1949 and March 1, 1950;

101.91% of the principal amount thereof on September 1, 1950 and March 1, 1951;

101.83% of the principal amount thereof on September 1, 1951 and March 1, 1952;

101.75% of the principal amount thereof on September 1, 1952 and March 1, 1953;

101.66% of the principal amount thereof on September 1, 1953 and March 1, 1954;

101.57% of the principal amount thereof on September 1, 1954 and March 1, 1955;

101.48% of the principal amount thereof on September 1, 1955 and March 1, 1956;

101.39% of the principal amount thereof on September 1, 1956 and March 1, 1957;

101.30% of the principal amount thereof on September 1, 1957 and March 1, 1958;

101.18% of the principal amount thereof on September 1, 1958 and March 1, 1959;

101.06% of the principal amount thereof on September 1, 1959 and March 1, 1960;

100.94% of the principal amount thereof on September 1, 1960 and March 1, 1961;

100.82% of the principal amount thereof on September 1, 1961 and March 1, 1962;

100.70% of the principal amount thereof on September 1, 1962 and March 1, 1963;

The principal amount thereof on any interest date after March 1, 1963 and prior to maturity;

together, in each case, with accrued interest to the redemption date.

The Bonds of any series other than 1968 Series shall be redeemable for the purposes of this sinking fund at the prices, if any, specified with respect to such series for redemption for sinking fund purposes, or, if no such prices are specified, at the same redemption prices at which such Bonds are redeemable at the option of the Company. Except as in this Section otherwise provided, such redemption shall be in the manner and with the effect provided in the Original Indenture and in any applicable supplemental indenture for redemption other than for the sinking fund. The Company covenants and agrees that it will, from sources other than the sinking fund, provide accrued interest and premiums on the Bonds so called for redemption for the sinking fund and that it will pay the same to the Trust Company prior to the date fixed for such redemption of such Bonds.

Unless the Company shall have duly delivered Bonds to the Trust Company for cancellation for the sinking fund, as provided by Section 2 of this Article, in lieu of the whole of any cash payment required to be made for the sinking fund pursuant to the provisions of this Article, the Trust Company shall, prior to the twentieth day of June in each year commencing with the calendar year 1939, draw by lot in the manner provided in the Original Indenture or any applicable supplemental indenture the Bonds so to be redeemed, and the Trust Company shall give or cause to be given on behalf of the Company the notice required by Article IV of the Original Indenture or by the terms of any applicable supplemental indenture, in order to redeem the Bonds so called for redemption on the next ensuing interest date.

Section 4. All Bonds delivered to the Trust Company in lieu of cash or redeemed by operation of the sinking fund in accordance with the provisions of this Article, together with the unmatured coupons thereto appertaining, shall be canceled by the Trust Company which shall deliver them to the Company. Bonds so canceled shall not be reissued and no additional Bonds shall be authenticated and delivered in substitution therefor under the provisions of the Original Indenture.

ARTICLE VI

Additional Covenants with Respect to the Improvement Fund.

The Company covenants and agrees that so long as any Bonds of 1968 Series are outstanding:

Section 1. It will not request, or initiate any proceedings for, any revision or redetermination of the amount of the improvement fund provided by Section 2 of Article IV of the Original Indenture which would reduce the percentage provided for in said Section 2 below 2%.

Section 2. In computing the amount of property additions which may be made the basis for the withdrawal of improvement fund moneys pursuant to clause (2) of Section 2 of Article IV of the Original Indenture, there shall be excluded, in addition to the exclusions required by Subdivision (7) of Article I of the Original Indenture, property additions required to be excluded by clauses (a) to (e), inclusive, of Section 5 of Article II of this Supplemental Indenture.

Each certificate filed with the Trust Company pursuant to Subdivision (2) of Section 3 of Article III of the Original Indenture upon any application for the withdrawal of improvement fund moneys shall, in addition to the matters required by said Subdivision (2), specifically show that there is not included in such certificate any items required to be excluded by this Section 2.

In determining the amount of improvement fund moneys which may be so withdrawn in relation to the principal amount of Bonds which would be issuable in respect of property additions under Section 3 of Article III of the Original Indenture, the principal amount of Bonds so issuable shall for such purpose, and only for such purpose, be equal to the same percentage of the cash cost or fair value, whichever is the lesser, of such property additions (computed as provided in this Section 2) as is specified in said Section 3 of Article III of the Original Indenture.

Section 3. Nothing in this Supplemental Indenture contained shall be construed so as to restrict the right of the Company to have improvement fund moneys deposited with the Trust Company under Section 2 of

Article IV of the Original Indenture applied to the reimbursement of the Company pursuant to clause (1) of said Section 2 for expenditures made by it for replacements or renewals.

SECTION 4. Bonds of 1968 Series shall be redeemable by the use of improvement fund moneys at the prices specified in Section 3 of Article V of this Supplemental Indenture for redemption for the sinking fund.

ARTICLE VII

ADDITIONAL COVENANTS WITH RESPECT TO THE RELEASE OF PROPERTY AND PROCEEDS THEREOF.

The Company covenants and agrees that so long as any Bonds of 1968 Series are outstanding:

SECTION 1. It will not sell or otherwise dispose of the Des Moines Power Station referred to in the Original Indenture except for cash, and, in the event of any such sale, whether pursuant to voluntary action on the part of the Company or to eminent domain proceedings or to acquisition by any municipality or other governmental subdivision pursuant to any right of purchase provided by law, ordinance or franchise, the Company will direct the Trust Company, under Section 1 of Article XI of the Original Indenture, to apply the entire net proceeds of such sale to the purchase or redemption of Bonds outstanding under the Original Indenture in the manner and upon the conditions provided in Section 3 of Article IV thereof; provided, however, that the foregoing provisions of this Section shall not apply to a sale of the Des Moines Power Station to a corporation owning directly or indirectly all of the Common Stock of the Company, except directors' qualifying shares, if such corporation shall assume the due and punctual payment of the principal of, and interest on, all the Bonds secured by the Original Indenture, and if the consideration for such sale does not include any property other than cash or obligations secured by a purchase money lien on such property.

SECTION 2. In case it shall sell or otherwise dispose of its gas properties as an entirety or substantially as an entirety, pursuant to Section 1 of Article XI of the Original Indenture, it will direct the Trust Company under said Section 1 to apply any moneys in excess of $25,000 received by the Trust Company upon any such sale or disposition, or from any purchase money or other obligations received as part of the consideration for such properties, which shall not have been withdrawn by the Company within a period of three years after the date of the receipt of such moneys by the Trust Company, to the purchase or redemption of Bonds outstanding under the Original Indenture in the manner and upon the conditions provided in Section 3 of Article IV thereof.

If the Company shall sell or otherwise dispose of its gas properties as an entirety or substantially as an entirety as aforesaid, no gas properties may thereafter be included in property additions which may be made the basis for the authentication and delivery of additional Bonds under Section 3 of Article III of the Original Indenture or the withdrawal of cash under any of the provisions of the Original Indenture or of this Supplemental Indenture in excess of the amount of gas properties required to be deducted pursuant to the provisions of Section 5 of Article II of this Supplemental Indenture because of the retirement thereof; provided, however, that property additions of such nature may be included in computing the amount of property additions which may be made the basis for the withdrawal of insurance moneys received by the Trust Company upon losses with respect to property of a similar nature or, as the case may be, the withdrawal of proceeds of property of a similar nature thereafter released from the lien of the Original Indenture pursuant to Section 1 of Article XI thereof.

Section 3. It will not accept as a part of the proceeds of the sale or other disposition of property pursuant to Section 1 of Article XI of the Original Indenture any obligations secured by a purchase money lien upon such property the principal amount of which, together with the principal amount of all other obligations secured by purchase money liens then held by the Trust Company as a part of the trust property, would exceed $250,000, unless (a) the obligations so to be received do not exceed in principal amount seventy per centum (70%) of the fair value of the property to be released (as stated in the certificate required to be filed with the Trust Company by clause (a) of said Section 1) and mature on a date not later than twenty years after the receipt of such obligations by the Company or not later than two years prior to the latest maturity date of any Bonds outstanding under the Original Indenture, whichever of such dates shall be earlier, and unless (b) the principal amount of all obligations secured by purchase money liens then held by the Trust Company as a part of the trust property, including the obligations so to be received, does not exceed twenty-five per centum (25%) of the book value of the physical property of the Company after giving effect to the release of such property; provided, however, that none of the foregoing restrictions shall be applicable if the Company shall have contracted to sell the obligations so to be received pursuant to the provisions of Section 1 of Article XI of the Original Indenture. The book value of the physical property of the Company at any particular time shall be determined by taking the physical property owned by the Company on March 1, 1938 at the gross amount at which such property was carried on the books of the Company at that date and adding thereto the cash cost of all property acquired by the Company subsequent to February 28, 1938 and deducting therefrom all retirements subsequent to February 28, 1938, except that any property acquired by the Company from a subsidiary subsequent to February 28, 1938 upon the dissolution of such subsidiary shall be taken at the gross amount at which such property was carried on the books of such subsidiary on March 1, 1938 if owned by such subsidiary on that date or at the cash cost thereof to such subsidiary if acquired by it subsequent to February 28, 1938.

If, in the case of any release, a part of the proceeds of sale consists of obligations secured by purchase money liens and if the principal amount of such obligations together with the principal amount of all other obligations secured by purchase money liens then held by the Trust Company as a part of the trust estate shall exceed $250,000, and if the Company shall not have contracted to sell the obligations so to be received pursuant to the provisions of Section 1 of Article XI of the Original Indenture, the certificate filed with the Trust Company pursuant to Subdivision (a) of Section 1 of Article XI of the Original Indenture shall, in addition to the matters required by said Subdivision (a), specifically show that the principal amount of all obligations secured by purchase money liens then held by the Trust Company as a part of the trust property, including the obligations so to be received, does not exceed twenty-five per centum (25%) of the book value of the physical property of the Company after giving effect to the release of such property.

Section 4. In case of applications for the withdrawal pursuant to clause (2) of Section 12 of Article V of the Original Indenture of insurance moneys deposited with the Trust Company or the withdrawal pursuant to clause

(1) of Section 1 of Article XI of the Original Indenture of moneys received by the Trust Company upon any sale or condemnation or upon the payment or release of any purchase money or other obligations received as a part of the consideration for released property, the Trust Company shall pay over such moneys to the Company only to the extent of the lesser of

(a) the amount of property additions computed in accordance with Subdivision (7) of Article I of the Original Indenture but, except as hereinafter provided, excluding, in addition to the exclusions required by said Subdivision (7), property additions required to be excluded by clauses (a) to (e), inclusive, of Section 5 of Article II of this Supplemental Indenture, or

(b) the amount of gross property additions acquired or constructed by the Company on or subsequent to the date of the receipt of such insurance moneys by the Trust Company or on or subsequent to the date of the release of the property in respect of which such moneys were received by the Trust Company, as the case may be, computed in the manner provided in Article III of this Supplemental Indenture;

provided, however, that property additions of the nature required to be excluded by clauses (c), (d) and (e) of Section 5 of Article II of this Supplemental Indenture may be included in computing the amount of property additions which may be made the basis for the withdrawal of insurance moneys received by the Trust Company upon losses with respect to property of a similar nature or, as the case may be, the withdrawal of proceeds of property of a similar nature released from the lien of the Original Indenture pursuant to Section 1 of Article XI thereof.

Each certificate filed with the Trust Company pursuant to Subdivision (2) of Section 3 of Article III of the Original Indenture upon any application for the withdrawal of moneys pursuant to this Section 4 shall, in addition to the matters required by said Subdivision (2), specifically show that there is not included in such certificate any items required to be excluded by this Section 4, and shall also show the computation of the amount of gross property additions as required by this Section 4.

In determining the amount of such moneys which may be so withdrawn in relation to the principal amount of Bonds which would be issuable in respect of property additions under Section 3 of Article III of the Original Indenture, the principal amount of Bonds so issuable shall for such purpose, and only for such purpose, be equal to the same percentage of the cash cost or fair value, whichever is the lesser, of such property additions (computed as provided in this Section 4) as is specified in said Section 3 of Article III of the Original Indenture.

Section 5. Nothing in this Supplemental Indenture contained shall be construed so as to restrict the right of the Company to receive insurance moneys pursuant to clause (1) of Section 12 of Article V of the Original Indenture to reimburse the Company for expenditures made by it in the replacement, repair or rebuilding of the damaged or destroyed property.

Section 6. Bonds of 1968 Series shall be redeemable by the use of insurance moneys or proceeds of released property at the prices specified in Section 3 of Article V of this Supplemental Indenture for redemption for the sinking fund.

ARTICLE VIII

Covenant with Respect to Reserve for Property Retirements.

The Company covenants and agrees that so long as any of the Bonds of 1968 Series are outstanding, it will, for each accounting period after December 31, 1937, on a cumulative basis from that date, charge against income and credit to reserve for property retirements amounts which shall aggregate not less than (a) fifteen per centum (15%) of the operating revenues of the Company after deducting the cost to the Company of electric energy purchased (other than from Des Moines Electric Light Company) for resale or exchange and the cost of gas purchased for resale or exchange, less (b) the amounts expended for maintenance, unless a regulatory body having jurisdiction shall direct the Company to charge a lesser amount against income for credit to reserve for property retirements.

ARTICLE IX

Covenant with Respect to Acquisition of Properties Subject to Prior Liens.

The Company covenants that so long as any Bonds of 1968 Series are outstanding:

Section 1. It will not, except as provided in Section 2 of this Article, acquire, by purchase, merger or otherwise, any property subject to a lien or liens prior to the lien of the Original Indenture if, at the time of such acquisition, the principal amount of indebtedness secured by such prior lien or prior liens shall exceed seventy per centum (70%) of the fair value of such property at the time of the acquisition thereof, or if, as a result of such acquisition the principal amount of indebtedness secured by a lien or liens prior to the lien of the Original Indenture upon all or any part of the trust property, other than indebtedness of the nature referred to in Section 2 of this Article, would exceed fifteen per centum (15%) of the aggregate of the principal amount of all Bonds outstanding under the Original Indenture at the time of such acquisition.

In case the Company shall propose to acquire any property subject to a prior lien, as permitted by this Section, it will, prior to or simultaneously with the acquisition of such property, file with the Trust Company a certificate signed and sworn to by the President or a Vice-President of the Company and also signed by an engineer (who may be an employee of the Company) appointed by resolution of the Board of Directors and approved by the Trust Company, which certificate shall be conclusive in favor of the Trustees, stating (a) the fair value of the property proposed to be acquired together with a description of such property in reasonable detail, (b) the principal amount of indebtedness secured by any lien or liens, to which such property is subject, prior to the lien of the Original Indenture, (c) the principal amount of all other indebtedness secured by a lien or liens prior to the lien of the Original Indenture upon all or any part of the trust property, other than indebtedness of the nature referred to in Section 2 of this Article, and (d) the principal amount of all Bonds outstanding at the time under the Original Indenture.

Section 2. Notwithstanding the provisions of Section 1 of this Article, the Company may acquire as an entirety or substantially as an entirety the properties of Des Moines Electric Light Company, a Maine corporation, or its successor, if, at the time of such acquisition, the principal amount of bonds or other evidences of indebtedness secured by a lien or liens on such properties prior to the lien of the Original Indenture does not exceed sixty per centum (60%) of the fair value of such properties at the time of acquisition thereof.

In case the Company shall propose to acquire such properties as permitted by this Section, it will, prior to or simultaneously with such acquisition, file with the Trust Company a certificate of the nature specified in

Section 1 of this Article, which certificate shall be conclusive in favor of the Trustees, stating the matters required by clauses (a) and (b) of said Section 1.

In case the Company shall acquire such properties as permitted by this Section, it will not thereafter apply for the authentication and delivery of any additional bonds under the Trust Indenture dated September 1, 1935 from Des Moines Electric Light Company to Harris Trust and Savings Bank and Harold Eckhart, as Trustees; and the percentage of the cash cost or fair value of fundable acquisitions specified in subdivision (b) of Section 3 of Article II of this Supplemental Indenture shall be reduced from seventy per centum (70%) to sixty per centum (60%) for the purpose of determining the principal amount of additional bonds which the Company shall thereafter be entitled to have authenticated and delivered pursuant to Section 3 of Article III of the Original Indenture and for the purpose of determining the amount of cash which the Company shall thereafter be entitled to withdraw pursuant to Section 4 of said Article III.

ARTICLE X

Additional Events of Default.

In addition to the cases specified in Section 9 of Article VII of the Original Indenture in which the Trustees may, or upon the conditions therein specified shall, proceed to exercise the rights and powers conferred and provided by the Original Indenture to be exercised by the Trustees upon the occurrence and continuance of default, the Trustees may, and upon the conditions specified in said Section 9 shall, proceed to exercise any and all such rights and powers in any of the following cases:

(1) In case the Company shall file a petition under the provisions of Section 77B of an Act to establish a

uniform system of bankruptcy throughout the United States, approved July 1, 1898, as amended, or file an answer seeking the relief provided in said Section 77B; or

(2) In case a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against the Company under the provisions of said Section 77B, and such order, judgment or decree shall not be vacated or set aside or stayed within sixty days from the date of entry thereof.

ARTICLE XI

The Trustees.

The Trustees hereby accept the trusts hereby declared and provided and agree to perform the same upon the terms and conditions in the Original Indenture set forth and upon the following terms and conditions:

The Trustees shall not be responsible in any manner whatsoever for or in respect of the validity or sufficiency of this Supplemental Indenture or the due execution hereof by the Company or for or in respect of the recitals contained herein, all of which recitals are made by the Company solely. In general, each and every term and condition contained in Article XIII of the Original Indenture shall apply to this Supplemental Indenture with the same force and effect as if the same were herein set forth in full, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Supplemental Indenture.

ARTICLE XII

Miscellaneous Provisions.

Section 1. All terms used in this Supplemental Indenture which are defined in the Original Indenture shall have the same meanings as are therein defined except in so far as such meanings are modified by the context of this Supplemental Indenture.

SECTION 2. This Supplemental Indenture may be simultaneously executed in any number of counterparts, each of which when so executed shall be deemed to be an original; but such counterparts shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, Iowa Power and Light Company has caused this Supplemental Indenture to be executed on its behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and said seal and this Supplemental Indenture to be attested by its Secretary or one of its Assistant Secretaries; and Harris Trust and Savings Bank, in evidence of its acceptance of the trust hereby created, has caused this Supplemental Indenture to be executed on its behalf by its President or one of its Vice Presidents and its corporate seal to be hereto affixed and said seal and this Supplemental Indenture to be attested by its Secretary or one of its Assistant Secretaries; and Harold Eckhart, in evidence of his acceptance of the trust hereby created, has hereunto set his hand and seal; all as of the fifteenth day of April, One thousand nine hundred and thirty-eight.

IOWA POWER AND LIGHT COMPANY

By W. Hanley
Vice President

Attest:
Secretary

Executed, signed, sealed and delivered by Iowa Power and Light Company in the presence of:

Robert Cullen
Lyman L. Mitchell

HARRIS TRUST AND SAVINGS BANK

By
Vice President

Attest:
Fomann
ASS'T *Secretary*

Executed, signed, sealed and delivered by Harris Trust and Savings Bank in the presence of:

Henry W. Michels Jr
J B Corwine

Harold Eckhart
(SEAL)

Executed, signed, sealed and delivered by Harold Eckhart in the presence of:

K Barnes

STATE OF ILLINOIS } ss.:
COUNTY OF COOK }

On this 7th day of May, A.D. 1938, before me, a Notary Public in and for said county, personally appeared H. L. HANLEY and H. E. JOHNSON, to me personally known, who being by me duly sworn, did say that they are Vice President and Secretary, respectively, of Iowa Power and Light Company, an Iowa corporation, that the seal affixed to said instrument is the seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said H. L. Hanley and H. E. Johnson acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

H. D. Musgrave
Notary Public in and for Said County.
My commission expires July 13, 1938.

H. D. MUSGRAVE NOTARY PUBLIC COOK COUNTY, ILL.

State of Illinois
County of Cook } ss.:

On this 7th day of May, A.D. 1938, before me, a Notary Public in and for said county, personally appeared LYNN LLOYD and F. O. MANN, to me personally known, who being by me duly sworn, did say that they are VICE PRESIDENT and ASSISTANT SECRETARY, respectively, of Harris Trust and Savings Bank, an Illinois corporation, that the seal affixed to said instrument is the seal of said corporation, and that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and the said LYNN LLOYD and F. O. MANN acknowledged the execution of said instrument to be the voluntary act and deed of said corporation by it voluntarily executed.

Notary Public in and for Said County.

MY COMMISSION EXPIRES JANUARY 26, 1941

STATE OF ILLINOIS
COUNTY OF COOK } ss.:

On this 7th day of May, A.D. 1938, before me, a Notary Public in and for said county, personally appeared HAROLD ECKHART, to me known to be the person named in and who executed the foregoing instrument, and acknowledged that he executed the same as his voluntary act and deed.

Guy H. Strafer
Notary Public in and for Said County.
MY COMMISSION EXPIRES JANUARY 26, 1941

GUY H. STRAFER • COOK COUNTY, ILL. • NOTARY PUBLIC